

4) Insurance to customers who have a loan.

Seventy-seven percent of the public think offering credit cards to customers who have a checking account is acceptable (31% say it is very acceptable).

Nearly equal support is found in the public's acceptance of credit card offers to mortgage holders (71%), mutual fund offers to those with a checking account (71%) and offers of insurance to loan customers (70%) (Table 5-4).

Q. A13

**TABLE 5-4  
ACCEPTABILITY OF SPECIFIC SERVICES  
OFFERED THROUGH SHARED INFORMATION**

Q. How acceptable would it be to you for a corporation with several related companies or subsidiaries to (READ EACH ITEM) -- very acceptable, somewhat acceptable, not very acceptable or not acceptable at all?

		<u>Very Acceptable</u>	<u>Somewhat Acceptable</u>	<u>Not Very Acceptable</u>	<u>Not Acceptable At All</u>
Base:	1001				
Offer a credit card to customers who have a checking account with one of the other companies or subsidiaries	%	31	46	10	11
Offer a credit card to customers who have a mortgage with one of the other companies or subsidiaries	%	28	43	12	15
Offer mutual funds to customers who have a checking account or loan with one of the other companies or subsidiaries	%	27	44	13	14
Offer insurance to customers who have a loan with one other the other companies or subsidiaries	%	25	45	14	14

Adults who have applied for credit or have credit or charge cards -- those who may be considered

heavy users -- express acceptability to a greater extent when it comes to solicitations between subsidiaries. At least three fourths of adults who applied for credit say they find all offers "very" or "somewhat" acceptable:

- credit cards to customers with a checking account (79%)
- credit card to customers with a mortgage (76%)
- mutual funds to customers with a checking account (75%)
- insurance to customers with a loan (75%) (Table 5-5).

Q.A13

TABLE 5-5

**SPECIFIC SERVICES SEEN AS "VERY" OR "SOMEWHAT"  
ACCEPTABLE, BY CREDIT USERS**

Q. How acceptable would it be to you for a corporation with several related companies or subsidiaries to...Offer a credit card to customers who have a mortgage with one of the other companies or subsidiaries -- very acceptable, somewhat acceptable, not very acceptable or not acceptable at all?

		Total	Yes, Applied For Credit	Yes, Has Credit/ Charge Cards
Base:		1001	559	731
Offer a credit card to customers who have a checking account with one of the other companies or subsidiaries	%	77	79	77
Offer a credit card to customers who have a mortgage with one of the other companies or subsidiaies	%	73	76	74
Offer mutual funds to customers who have a checking account or loan with one of the other companies or subsidiaries	%	71	75	72
Offer insurance to customers who have a loan with one other of the other companies or subsidiaries	%	70	75	69

Adults making use of financial services are willing to be made aware of additional services or enhancements to services they use. Some segments of the population -- Blacks, for example -- express stronger support for direct marketing. The level of acceptability overall, suggests that most of the public does not view these offers as intrusions to their privacy and has no objection this type of marketing.

# **CHAPTER 6:**

## **PRIVACY RIGHTS IN CREDIT REPORTING**

In this survey -- that explored a number of issues related to how businesses are handling consumer personal information -- three statements were read to respondents about privacy policies. The public agrees most strongly that companies and industry associations adopting good voluntary privacy policies "...would be better than enacting government regulation" (66% agree strongly or somewhat). Fifty-eight percent of Americans agree that they "noticed that businesses handling personal information are paying more attention to privacy policies these days". Half of all adults (51%) agree strongly or somewhat that their "privacy rights as a consumer in credit reporting are adequately protected today by law and business practice" (Table 6-1).

Q.A18-1, A18-2, A18-3

**TABLE 6-1**  
**AGREEMENT TO STATEMENTS ABOUT**  
**PRIVACY POLICIES OF BUSINESSES**

Q. Here are some statements about privacy policies.

I've noticed that businesses handling personal information are paying more attention to privacy policies these days --

If companies and industry associations adopt good voluntary privacy policies, that would be better than enacting government regulation, in this country --

My privacy rights as a consumer in credit reporting are adequately protected today by law and business practice --

-- do you agree strongly, agree somewhat, disagree somewhat, or disagree strongly with that statement?

		<u>Agree Strongly</u>	<u>Agree Somewhat</u>	<u>Disagree Somewhat</u>	<u>Disagree Strongly</u>
Base: 1001					
If companies and industry associations adopt good voluntary privacy policies, that would be better than enacting government regulation, in this country	%	29	37	19	12
I've noticed that businesses handling personal information are paying more attention to privacy policies these days	%	20	38	22	14
My privacy rights as a consumer in credit reporting are adequately protected today by law and business practice	%	16	35	23	23

One of the statements read to respondents has appeared in two previous studies -- in 1990 and 1991-- on privacy issues conducted by Louis Harris and Associates for Equifax. After the significant drop between 1990 and 1991 in the public's belief that their rights as credit consumers were adequately protected, a slight majority of Americans in 1994 once again express faith that their rights are protected. In 1990, 46% of the public said they agree strongly or somewhat that their "privacy rights as a consumer in credit reporting are adequately protected today by law and business practices". Just one year later, that percent had dropped to slightly more than one-third of the public (37%). In 1994, yet another dramatic swing has occurred in the public's opinion on protection of their privacy rights when it comes to credit reporting. At this moment in time, half of all Americans (51%) say laws and business practices are preserving these rights (Table 6-2).

Q.A18-2

**TABLE 6-2**  
**TREND LINE OF PRIVACY RIGHTS**  
**PROTECTION BY LAW AND BUSINESSES**

Q. Here are some statements about privacy policies.

My privacy rights as a consumer in credit reporting are adequately protected today by law and business practice --

-- do you agree strongly, agree somewhat, disagree somewhat, or disagree strongly with that statement?

	1990*	1991**	1994
Base:	2254	1255	1001
	%	%	%
Agree strongly or somewhat	46	37	51
Disagree somewhat or strongly	51	58	46

\* The Equifax Report on Consumers in the Information Age, 1990

\*\* A Survey of the American People on Privacy Issues, 1991.

# **APPENDIX A: METHODOLOGY**

## **SAMPLE DESIGN**

In January, 1994, interviews were conducted with a cross section of 1,001 Americans eighteen years of age and older.

The Louis Harris and Associates, Inc., National Telephone Sample is based on a methodology that is designed to produce representative samples of persons in telephone households in the 48 continental United States. The Harris National Telephone Sample makes use of random-digit selection procedures which assure sample representation of persons in both households which are "listed" in telephone directories, as well as persons in households which are "unlisted" in telephone directories. The sample design is also explicitly designed to assure proper representation of households in central city, suburban, and rural areas within each of the 48 continental states.

The Harris National Telephone Sample is selected by a three-stage, stratified sampling process. The ultimate result of this process is a set of sample selections (phone numbers). In order to assure that the maximum degree of sample control is maintained, the basic sample design has been set up to produce cross-sectional national samples in increments of 500, 1000, or 1,250 sampling points (i.e., households). The representativeness of the sample is shown in the following table:



TABLE A - 1  
DEMOGRAPHIC COMPOSITION OF THE SAMPLE

	<u>Number in Sample</u> 1	<u>Unweighted Percentage</u>	<u>Weighted Percentage</u>
Total	1001	100	100
<u>Region</u> <sup>2</sup>			
East	238	24	23
Midwest	247	25	24
South	312	31	33
West	204	20	19
<u>Size of Place</u>			
Central City	328	33	33
Rest of Metro Area	448	45	44
Outside Metro Area	225	22	23
<u>Age</u>			
18 - 29 Years	239	24	23
30 - 49 Years	464	46	42
50 and over	292	29	34
<u>Education</u>			
Less than High School	73	7	11
High School Graduate	336	34	44
Some College	281	28	25
College Graduate	219	22	14
Post Grad	87	9	6
<u>Race</u>			
White	892	89	86
Black	89	9	12
Hispanic	68	7	8
<u>Sex</u>			
Male	518	52	48
Female	483	48	52
<u>Income (Total HH Income)</u>			
\$15,000 or less	177	18	21
\$15,001 to \$35,000	300	30	31
\$35,001 to \$50,000	172	17	17
\$50,001 to \$75,000	121	12	11
\$75,001 and over	106	11	8

#### NOTES:

1. Subgroup totals do not always come to 1001 because of some non-response.
2. East includes: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and West Virginia.

Midwest includes: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

South includes: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.

West includes: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming.

### QUESTIONNAIRE DESIGN

This survey includes several different types of questions. Some are simple measures of awareness, behavior, experiences and attitudes. Some questions were designed to test public reactions to reform initiatives, specifically preference for federal or state legislation. Some questions were designed to measure public reactions to specific concepts. Some questions included descriptive or explanatory language which, by intent, condition the responses. The replies reflect the public's answers to the questions as they were asked.

### WEIGHTING

The sample was weighted to the Census Bureau's latest population parameters on region, education, sex, race, and age. The weighting adjusted these key variables, where necessary, to their actual proportions in the populations.

### SAMPLING ERROR

The results achieved from all sample surveys are subject to sampling error. Sampling error is

defined as the difference between the results obtained from the sample and those that would have been obtained had the entire relevant population been surveyed.

In theory, with a sample of this size one can say with 95 percent certainty that the results have a statistical precision of plus or minus 3 percentage points of what they would be if the entire adult population had been polled with complete accuracy. Unfortunately, there are several other possible sources of error in all polls or surveys that are probably more serious than theoretical calculations of sampling error. They include refusals to be interviewed (non-response), question wording and question order, interviewer bias, weighting by demographic control data and screening (e.g., for likely voters). It is difficult or impossible to quantify the errors that may result from these factors.

This statement conforms to the principles of disclosure of the National Council on Public Polls.

# **APPENDIX B:**

# **QUESTIONNAIRE**

LOUIS HARRIS AND ASSOCIATES, INC.  
630 Fifth Avenue  
New York, NY 10111

/ FOR OFFICE USE ONLY:  
/  
/ Questionnaire No.: \_\_\_\_\_  
/ (1-5)  
/ \_\_\_\_\_

Study No. 934016  
(8-13)  
January 16, 1994 **FINAL**

Card # (6-7)  
Sample Point No.   /  /  /  /  /  /  /  /    
3\*(24-30)

Time Started: \_\_\_\_\_ A.M./P.M.

Interviewer: \_\_\_\_\_ Date: \_\_\_\_\_

Area Code: \_\_\_\_\_ Telephone No.: \_\_\_\_\_ 3\*(12-18)  
3\*(9-11)

-----  
Hello, I'm \_\_\_\_\_ from Louis Harris and Associates, the national survey  
research firm in New York. We are conducting a study of what Americans think about some  
consumer issues and want to speak to the youngest (male/female/person) adult in this  
household 18 or over who is at home now. BE SURE TO GET YOUNGEST ADULT AVAILABLE

(READ IF NECESSARY: I want to assure you that this is a survey, not a sales call).

Continue.....(14( 100-1  
-----

A1. Do you watch TV regularly or Not?

Yes, I do.....(15( 73-1  
No, I do not..... 27-2  
Not sure..... --3

A2. In the past two years, have you applied for any kind of credit card, bank loan, mortgage, store charge account, apartment rental, car loan or other extension of credit by a business, or not? IF RESPONDENT DOES NOT KNOW, DO NOT PROBE AND RECORD AS NOT SURE.

Yes has applied....(16( 51-1 (ASK Q.3)  
No has not applied..... 49-2 }  
Not sure..... --3 } (SKIP TO Q.4)

A3. When you apply for credit, creditors, like a bank or a store, often purchase from a credit bureau a report of your record of paying bills and loans to see if you are a good credit risk. As far as you know, did your application for credit result in a credit bureau report about you being provided to the creditor, or not?

Yes, report was provided.....(17( 65-1  
No, report was not provided..... 22-2  
Not sure..... 14-3

A4. When people want to borrow money, do you think that the company giving them credit should be able to check on their credit records, or not?

Yes, can check.....(18( 95-1  
No, cannot check..... 5-2  
Not sure..... --3

A5. When people apply for a credit card, do you think that the company issuing the credit card should be able to check on their credit and credit card records, or not?

Yes, can check.....(19( 88-1  
No, cannot check..... 11-2  
Not Sure..... 1-3

A6. If businesses extending credit could not obtain accurate and relevant national credit bureau reports about a consumer's record of paying bills, how likely do you think it would be that (READ EACH ITEM) -- very likely to, probably would, probably would not or not at all likely to happen.

		Very Likely To Happen	Probably Would Happen	Probably Would Not Happen	Not at all likely to Happen	Sure
<u>ROTATE -- START AT "X"</u>						
( ) 1. Many businesses would cut back on extending credit, to only the best customers . . . . .	(20)	<u>42</u> -1	<u>38</u> -2	<u>12</u> -3	<u>6</u> -4	<u>2</u> -5
( ) 2. The cost of credit would go up, to cover increases in bad debts . . . . .	(21)	<u>47</u> -1	<u>40</u> -2	<u>6</u> -3	<u>4</u> -4	<u>3</u> -5
( ) 3. It would probably take several weeks rather than several days to get a loan approved . . .	(22)	<u>36</u> -1	<u>44</u> -2	<u>13</u> -3	<u>4</u> -4	<u>3</u> -5
( ) 4. Many businesses would ask for the loan to be secure . . . . .	(23)	<u>53</u> -1	<u>35</u> -2	<u>6</u> -3	<u>5</u> -4	<u>1</u> -5

A7. How much have you read or heard in the past few years about consumer issues involving the use of credit reports and operations of credit bureaus -- a great deal, some things, not much, or nothing at all?

A great deal.....(24) 13-1  
 Some things..... 44-2  
 Not much..... 34-3  
 Nothing at all..... 7-4  
 Not sure..... 2-5

A8. Have you heard anything about proposed legislation in Congress to change federal rules on credit reporting? This involves; how businesses report to credit bureaus on their customers' debt payments, for what business purposes it is proper to use credit-bureau information, how disputes about the accuracy of (credit report) information are handled, and similar issues of fair credit reporting. Have you read or heard anything about this proposed legislation or not?

Yes, has read or heard.....(25) 19-1  
 No, has not read or heard..... 81-2  
 Not sure..... --3

A9. Three national companies using central computer files provide the majority of credit reports that are ordered today by businesses to decide whether to grant credit to consumers.

I'm going to read you two viewpoints about how Congress should set the rules for credit reporting. Tell me which do you agree with:

ROTATE -- START AT "X"

( ) Some groups favor Congress passing legislation for fair credit reporting, but they would allow any state to set different procedures or impose stricter rules than the federal ones.

OR

( ) Other groups believe that consumers would benefit from a single and consistent national law on consumer fair credit rights to avoid state-by-state conflicts and increased costs for consumers.

26Z

States should be allowed to set different  
standards and procedures.....(27) 49-1  
National law should be set..... 48-2  
Not sure..... 3-3

A10. Regardless of your preference, which do you think would be likely to produce more accurate and consistent credit reports -- a uniform federal law regulating credit reporting or separate state laws regulating reporting in each state.

Federal law.....(28) 59-1  
State law..... 34-2  
No difference (vol.)..... 2-3  
Not sure..... 5-4

A11. Suppose you live in one state and work or travel in another. The state law governing credit reports where you work or travel may be quite different from the laws in the state where you live. Suppose you need a loan in the state where you work or travel. How acceptable do you think it is that the credit reporting laws are different -- very acceptable, somewhat acceptable, not very acceptable or not acceptable at all?

Very acceptable.....(29) 14-1  
Somewhat acceptable..... 42-2  
Not very acceptable..... 19-3  
Not acceptable at all..... 19-4  
Not sure..... 6-5

A12. Now I'd like to ask some questions about offers companies make often through the mail. Frequently, companies with several related divisions want to offer customers of one division products or services from another division because they believe that the customer would be interested in these other products or services. Before extending the offer, information about the customer from one division is shared with the division making the new offer. How acceptable to you is such internal company marketing -- very acceptable, somewhat acceptable, not very acceptable, or not acceptable at all?

Very acceptable....(30) 13-1  
Somewhat acceptable.... 45-2  
Not very acceptable.... 20-3  
Not acceptable at all... 21-4  
Not sure..... 1-5



A13. If the company gave each customer notice that it wanted to send out such mailings from different divisions and provided an opportunity not to receive any such mailings, how acceptable would such a practice be to you -- very acceptable, somewhat acceptable, not very acceptable, or not acceptable at all?

Very acceptable....(31( 43-1  
 Somewhat acceptable.... 30-2  
 Not very acceptable.... 16-3  
 Not acceptable at all... 9-4  
 Not sure..... 2-5

A14. Assuming that an opportunity to be removed from any mailing was given to each customer, how acceptable would it be for a company with several business divisions to (READ EACH ITEM) -- very acceptable, somewhat acceptable, not very acceptable or not acceptable at all.

		Very	Somewhat	Not	Very	Not
		Acceptable	Acceptable	Acceptable	At All	Sure
<u>ROTATE -- START AT "X"</u>						
( ) 1. Offer a credit card to customers who have a mortgage with one of the company's divisions? .....	(32(	<u>31</u> -1	<u>48</u> -2	<u>9</u> -3	<u>11</u> -4	<u>1</u> -5
( ) 2. Offer a credit card to customers who have a checking account with one of the company's divisions? (33(	<u>40</u> -1	<u>46</u> -2	<u>7</u> -3	<u>5</u> -4	<u>2</u> -5	
( ) 3. Offer insurance to customers who have a loan with one of the company's divisions? .....	(34(	<u>31</u> -1	<u>36</u> -2	<u>16</u> -3	<u>16</u> -4	<u>1</u> -5
( ) 4. Offer mutual funds to customers who have a checking account or loan with one of the company's divisions?... (35(	<u>32</u> -1	<u>44</u> -2	<u>12</u> -3	<u>11</u> -4	<u>1</u> -5	

A15. Do you have any of the following financial services or not?

		Yes	No	Not
				Sure
<u>ROTATE -- START AT "X"</u>				
( ) 1. A checking account?.....	(36(	<u>89</u> -1	<u>112</u>	<u>-3</u>
( ) 2. A savings account? .....	(37(	<u>78</u> -1	<u>222</u>	<u>-3</u>
( ) 3. A home, co-op, or condo mortgage .....	(38(	<u>38</u> -1	<u>622</u>	<u>-3</u>
( ) 4. Stocks, bonds, money market accounts, or other investments .....	(39(	<u>53</u> -1	<u>472</u>	<u>-3</u>
( ) 5. An auto loan?.....	(40(	<u>42</u> -1	<u>582</u>	<u>-3</u>

A16. Do you have any credit or charge cards or not?

Yes, has cards.....(41(72-1 (ASK Q.A17)

No, has no cards.....28-2 }

Not sure.....-3 } SKIP TO Q.A18)

A17. About how many do you have?

1/1/1 Not sure.....(42(   y  
(42-43)

A18. Here are some statements about privacy policies. (READ EACH ITEM) -- Do you agree strongly, agree somewhat, disagree somewhat or disagree strongly with that statement?

	Agree <u>Strongly</u>	Agree <u>Somewhat</u>	Disagree <u>Somewhat</u>	Disagree <u>Strongly</u>	Not <u>Sure</u>
ROTATE -- START AT "X"					
( ) 1. I've noticed that businesses handling personal information are paying more attention to privacy policies these days .....	(44( <u>27</u> -1	<u>34</u> -2	<u>17</u> -3	<u>14</u> -4	<u>8</u> -5
( ) 2. My privacy rights as a consumer in credit reporting are adequately protected today by law and business practice .	(45( <u>15</u> -1	<u>36</u> -2	<u>31</u> -3	<u>17</u> -4	<u>1</u> -5
( ) 3. If companies and industry associations adopt good voluntary privacy policies, that would be better than enacting government regulation, in this country.....	(46( <u>26</u> -1	<u>39</u> -2	<u>19</u> -3	<u>15</u> -4	<u>1</u> -5

F1. How old are you? IF HESITANT, READ LIST

18 to 20.....(15( 6-1  
 21 to 24..... 6-2  
 25 to 29..... 12-3  
 30 to 34..... 15-4  
 35 to 39..... 10-5  
 40 to 44..... 13-6  
 45 to 49..... 6-7  
 50 to 64..... 19-8  
 65 to 74..... 9-9  
 75 and over.....(16( 4-0  
 Not sure..... --1

F2. What is the highest level of school you have completed or the highest degree you have received? (PROBE: IF RESPONDENT SAYS JUST "HIGH SCHOOL": What was the highest grade you completed? IF 12th GRADE, CODE "GRADUATE". IF 11th GRADE OR LESS, CODE "LESS THAN"

Less than high school (grades 1-11, grade  
 12 but no diploma.....(17( 10-1  
 High school graduate or equivalent (e.g. GED)..... 43-2  
 Some college but no degree (incl. 2 year  
 occupational or vocational programs)..... 21-3  
 College graduate (e.g. BA, AB, BS)..... 22-4  
 Post graduate (e.g. MA, MS, MEng, Med, MSW,  
 MBA, MD, DDs, DVM, LLB, JD, PhD, EdD)..... 4-5  
 Not sure..... --6

F3. How would you describe your own personal political philosophy -- conservative, moderate, or liberal?

Conservative.....(18( 41-1  
 Moderate..... 32-2  
 Liberal..... 21-3  
 Not sure..... 6-4

F4. Are you of Hispanic origin or descent, or not?

Yes, of Hispanic origin.....(19( 4-1  
 No, not of Hispanic origin..... 91-2  
 Not sure..... 5-3

20Z

F5. Do you consider yourself white, black, African American, Asian, Native American, or some other race? (ROTATE)

White.....(21( 81-1  
 Black..... 7-2  
 African American..... 3-3  
 Asian or Pacific Islander..... --4  
 Native American or Alaskan native... 2-5  
 Some other race..... 3-6  
 Not sure..... 4-7

F6. Which of the following income categories best describes your total 1992 household income? Was it (READ LIST)?

\$7,500 or less.....	(22(	<u>11</u> -1	
\$7,501 to \$15,000.....		<u>7</u> -2	INTERVIEWER: TOTAL HOUSEHOLD
\$15,001 to \$25,000.....		<u>24</u> -3	INCOME BEFORE TAXES FROM ALL
\$25,001 to \$35,000.....		<u>14</u> -4	SOURCES -- IF UNSURE OF 1992
\$35,001 to \$50,000.....		<u>16</u> -5	INCOME, PROBE FOR ESTIMATE
\$50,001 to \$75,000.....		<u>12</u> -6	
\$75,001 to \$100,000.....		<u>3</u> -7	
\$100,001 or over.....		<u>6</u> -8	
Not sure.....		<u>7</u> -9	

THAT COMPLETES THE INTERVIEW. THANK YOU FOR YOUR  
COOPERATION WITH THIS HARRIS POLL. NOW YOUR OPINION REALLY  
COUNTS.

TIME ENDED: \_\_\_\_\_ A.M./P.M.

FROM OBSERVATION: Respondent Sex

Male.....(23( 47-1  
Female..... 53-2

24-80Z